if the issue is oversubscribed, through private placement of bonds.

(b) The bonds are in the nature of secured redeemable non-convertible debentures with 15.5% interest payable semiannually. The maturity period of bonds is 3 years from the date of allotment.

(c) and (d) The Government scrutinises the activities of Bharat Petroleum Corporation Limited through various means such as Quarterly Performance Review and through Government Directors on the Board of the Company etc. The capital expenditure on various on going projects during the year 1996-97 is estimated to be Rs. 600 crores approximately. The funds raised through issue of bonds will be utilised for financing the projects.

Pipeline Project of HPCL Across Godavarl River

2765. SHRI V. HANUMANTHA RAO: Will the PRIME MINISTER be pleased to state:

(a) whether Hindustant Petroleum Corporation Limited is building a pipeline across Godavari river in Andhra Pradesh;

(b) if so, the cost of this project;

(c) the likely financial benefits from this project;

(d) whether its cost is likely to be more in comparison to its financial returns; and

(e) the steps proposed to be taken to review this project?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T.R. BAALU): (a) to (e) Government has approved the laying of a 356 Km. long product pipeline from Vizag to Vijayawada by HPCL, at an estimated cost of Rs. 521.61 crores, with a completion schedule of 36 months from the date of Government approval. The pipeline will cross the Godavari river.

The project has an internal rate of return of 15.7% based on the prevailing pricing formula. Transportation of petroleum products by pipeline is economical as compared to transportation by road/rail.

The progress of implementation of the project is monitored regularly.

Expenditure on Oil Exploration

2766. SHRI PARAG CHALIHA: Will the PRIME MINISTER be pleased to state:

(a) the specific steps taken to increase the oil and gas exploration in the country during 1996;

(b) the total expenditure incurred during the above period for this purpose, State-wise; and

(c) the details of achievements made in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T.R. BAALU): (a) the specific steps taken to increase oil & gas exploration in the country in 1996 are:—

—Intensified exploration in already proven areas like Cambay, Krishna-Godavari, Cauvery, Assam-Arakan, Assam Shelf, West & East Coast offshore.

—Extending efforts into frontier areas like South Rewa, Gondwana, North & North-East fold belt and other areas like Brahmaputra Valley besides deep water of East and West Coast offshore.

—Exploration acreages within the country have been offered by the Government of India under the components like:

(i) Exploration bidding
(ii) Joint Venture exploration bidding
(iii) Speculative seilsmic surveys.

(b) and (c) The information is being collected and will be laid on the Table of the House.